

# Home Equity Conversion Mortgages

## Policy References

Issue Date	Letter #	Letter Title	Subjects	Cross References Citations...	Supercedes, Rescinds, Supplements, Replaces or is Included in
Handbook 4235.1 was published 11/18/1994; Authority is Sec. 255 of the NHA (12 U.S.C. 1715z-20); Regulations 24 CFR, Part 206.					
02/24/09	2009-07	Loan Limit Increases for FHA	FHA loan limits for Section 255, Home Equity Conversion Mortgages (HECM) are effective immediately for those loans closed on or after the date of this mortgagee letter. Further instructions for HECM loan limits are set forth	American Recovery and Reinvestment Act of 2009 (ARRA)	
12/05/08	2008-38	HECMS Clarification Re: Borrowers Recourse for Repayment of Loan debt and termination of mortgage		4235.1 REV-1, ¶1-3c, 24 CFR 206.27 (b) (8);	
11/07/08	2008-36	2009 Maximum Mortgage Limits	Includes mortgage limits for HECMs and link to local limits.	2008-06; HERA, Sec. 255 NHA, Federal Hsg Finance Agency, 12USC 1454(a)(2)).	
11/06/08	2008-35	HECM Mortgage Limits Effective Immediately	Includes exception for certain areas in Hawaii; recalc of loans that did not close prior to 10/13/08; Maximum claim amount.	HERA	
10/31/2008	2008-34	Origination Fee - New Limits	Includes calculation table; may be financed, covered services, what not to pay.	HERA	
10/20/2008	2008-33	HECM for Purchase Program	Description of program; Eligible property types incl construction completed, land contracts; ineligible property types; MIP, monetary investment, funding sources and verification, gap financing, counseling, right of rescission, closing guidance, data entry, and information collection.	HERA; 2006-14, 4235.1 REV1,	
09/29/2008	2008-28	Prohibition on Mortgagee Funded Counseling	Mortgagee not to pay for counseling;	HERA P.L. 110-289	Rescinds portion of ML 08-12.
09/16/2008	2008-24	Requirements on Mortgage Originators	Separates counselors and financiers;	HERA Sec 255 (n)(1) and (n)(2);	Sec. 255(n) is added to NHA. Rescinds ML 08-14.
05/16/2008	2008-14	Non FHA-Approved Mortgage Brokers	Non-FHA-approved brokers;	24 CFR 206.31;	Rescinded by 2008-24.
05/06/2008	2008-12	Counseling Fee	Appropriate charges; Payment of fees;	72FR 55638; 24 CFR Part 214.313;	
03/28/2008	2008-08	Fixed Interest Rate	Fixed interest rates; servicing fee; payment plan options, open/closed ended;	None.	
10/12/2007	2007-13	Adjustable Rate Mortgages - Addition of LIBOR Index	Also, index consistency, availability, utilization, HECM ARMs, instructions,	72 FR 40048 24 CFR 206.3, ML06-22,	
04/27/2007	2007-08	Face-to-face Interviews	Training via phone may be opted for by the borrower. However, the certificate must still be signed by both the counselor and borrower.	ML 01-10, 04-25 & 04-48	
04/12/2007	2007-06	Property Eligibility Requirements	Defines "existing properties"	4235.1 REV-1, ¶13-4, & ML 96-15.	Supplements 4235.1 and 96-15.
12/18/2006	2006-30	Guidance on Mortgagee Approval Handbook		4060.1 REV-2, ML 2000-10, 2006-07.	
09/28/2006	2006-25	Counseling Requirements	Counseling other than borrower; Pre-counseling activities; A/VMs; New Counseling Certificate; Preventing fraud; MAYBE REVISED 92902. ASK ERICA.	§255 NHA, 24CFR 206.41, 4235.1 REV-1; 7610.1 REV-4 HC handbook, ML 04-25, 00-39 and 00-10. 206.35; ML 93-22;	Supplements 04-25.
09/27/2006	2006-23	Elimination of Photo Identification Evidence	Photo identification in binder not required.	None.	Replaces guidance in 4235.1, REV-1, 4-7 and part of ML 04-39.
08/31/2006	2006-22	Extension of Principal Limit Rate Lock	Extends lock-in to 120 days;		Recinds 03-16 and revises Chapter 6 of 4235.1 REV-1.
08/16/2006	2006-20	Subordinate Liens & State & Local Court-Ordered Judgments & Judgment Liens	Existing liens; Subordinate liens; Judgments.	206.32(a);	Clarifies.
03/27/2006	2006-07	Clarification of Mortgagee Letter 06-04 - Closing Costs	Revised closing costs guidelines;	ML06-04;	Recinds 4000.2 REV-3 P5-2.

## Home Equity Conversion Mortgages Policy References

Issue Date	Letter #	Letter Title	Subjects	Cross References Citations...	Supercedes, Rescinds, Supplements, Replaces or is Included in
03/17/2006	2006-06	Line of Credit Payment Option for Texas	Texas Guidelines; adds line of credit option; Adapt forms; repair rider; disbursements; funds received; acceleration of mortgage; foreclosure.	00-09, 00-34, 00-39;	Replaces some parts of 00-09, 00-34, 00-39 on same topics.
11/01/2005	2005-44	National HECM Counseling Network	New Expanded National Network of Counselors;lender activities prior to counseling;	04-25;	Imposes a moratorium on some provisions of 04-25.
12/30/2004	2004-48	HECM Counseling Requirements Simplified	Face-to-face; telephone counseling; eligible agencies; AARP Network;	4000.2, REV-2; Ch. 3; 7610.1, REV-4;	Supplements 04-25;
09/29/2004	2004-39	Signature Reduction, Clarification of Required FHA Documents and Revised Instruction to "Residential Loan Application for Reverse Mortgages"	Reduces original signed documents from 3 to 1; List of required FHA documents for signature; Certified true copies; case biner documents;		List of documents replaces list in ML 97-38; Incorporates documents referred to in 99-18, 04-12 and 04-18. Effected by ML 06-23.
07/22/2004	2004-27	Delayed Effective Date for Mortgagee Letter 2004-25 Instructions	Delayed effective date of 04-25 for additional 30 days.		
06/23/2004	2004-25	Clarification of counseling requirements	When Referring, list of counselors, counseling topics, types of counseling, documentation, counselors' responsibilities; complaint about HECM lender or counselor.	\$255 NHA; 24 CFR 206.41; MLs 00-10, 00-39; 4235.1 Rev. 1; 206.53; ML 04-18.	Sample certificate replaces Appendix 16 of 4235.1, Rev. 1, referred to as Form 92902.
06/16/2004	2004-22	Elimination of paper mortgage insurance certificates	Screen prints replace paper MICs; claims submissions; Servicer & Holder changes.	ML 00-17; 24 CFR 203.502 and 206.101; 203.430-203.435; 4235.1 Rev-1. Ch.7-7C.	Supplements ML 03-17;
04/23/2004	2004-18	Refinancing Existing HECMs and Revision to the HECM Calculation Software	Origination fees,refinancings, initial MIP, Anti-churning, waivers of counseling, servicer requirements, data entry requirements, revised software;	P.L. 106-569, Dec. 27, 2000, §201 American Homeownership & Economic Opportunity Act of 2000; FR25Mar2004;	
12/04/2003	2003-22	(HECMs) -Procedural Guidance	Appraisal policy upon FC or DIL; Rq for Notification; Occupancy and maintenance of property; Extension of time; Timeframes for calculating interest; Termination of FHA insurance; Advice of Payment letter;	§206.127(a)(2); §206.129; 24 CFR 206.27(c)(1); 4330.1, Rev-5, §13-22; §206.129(d)(1); (c)(1) and (c)(2);	§206.127(a)(2)
09/24/2003	2003-16	(HECM)-Interest Rate Lock-Ins	Interest rates may be set at time loan app is signed;		4235.1 Requirements for Closing, pp 6-7; This letter is rescinded and replaced with 06-22.
05/23/2002	2002-12	Reinstatement of the Housing Counseling Notification Requirement	I'm not sure this is related to HECMS. It appears to be directed at forward mortgages in default.		
08/06/2001	2001-18	CHUMS Programming Changes for HECM Processing	Max claim amts determined by mtg closing date; CHUMS calculates MIP and allows electronic endorsement;	None.	
06/25/2001	2001-16	(HECM) Servicing and Claim Issues	Transfer of servicing contact from Wendover to Deloitte & Touche; First Madison Services; Evidence for claims;	None.	
08/30/2000	2000-34	(HECMs) in Texas and instructions on using HECM Mortgage Calculation Software	New model forms for all documents for TX HECMs;		Supplements 00-09 and 99-36. Replaces the Home Equity Conversion Loan Agreement in 00-09;
03/08/2000	2000-10	Revisions (HECMs) Program	Increase to 150,000 loans; Increase Max Mtg Amt; Inc in loan origination fee for broker or correspondent fee; loan advances, counseling certificates, Fannie Mae conseling, face interview not required; Importance of home inspection disclosure not required.	None.	
03/08/2000	2000-09	(HECMs) in Texas	HECMs is now permitted in TX. Limits to accelerations; and prohibition on LoCs.		
12/10/1999	1999-36	Home Equity Conversion Mortgage Calculation Software	Software updated to Windows-based.	None.	
02/18/1999	1999-02	Implementation of the Final Rule - HECM Consumer Protection Measures	Implements FR January 19, 1999; Requirements for counselors to ask if estate planning consultants were hired; requirements for mortgagees to provide GFE and inquire if estate planners will be used;	Final Rule January 19, 1999 (FR-4306-F-02)	§255(d) (12 USC 1715z-20(d));
09/21/1998	1998-25	Optional New Loan Application Form	Form 1009 is an option for lenders to use instead of URLA		

## Home Equity Conversion Mortgages Policy References

Issue Date	Letter #	Letter Title	Subjects	Cross References Citations...	Supercedes, Rescinds, Supplements, Replaces or is Included in
01/7/1998	1998-03	Servicing Fee Cap Monthly Adjustable Loans	Sets Maximum servicing fee for monthly adjustable loans;	4235.1¶ 1-12.	
08/14/1997	1997-38	Case Processing Flow: System Issues, Coming Enhancements, and Solving Roadblocks	CHUMS, CLAS, IACS, FHAC, Originating a case; Endorsement; Rejects, refunds, mtg limits, documentation requirements clarified.	97-15	
04/24/1997	1997-15	Implementation of Final Rule and Other Information	Principal limit; Monthly payment calculations; Software; Fee for chang in pmt option; changes to legal documents; life estate provisions; prepayment; Trustee in 2nd Deed; title insurance policy; Dos required by DE; Correction to Reg cite in final rule; future ML; and attachments.	Final Rule September 17, 1996; 24 CFR 206.3 et al; FR March 1, 1997; 4235.1;	
04/10/1996	1996-15	Changes in Program Requirements	Re-authorizes program to 9/20/2000; 50,000 units; 2-4 family properties;	P.L. 104-120 (March 28, 1996)pp.3-4.	Amends §255(d)(3) and (g) of NHA and 4235.1.Amends ¶ 3-4 fo 4235.1 REV1.
11/13/1995	1995-54	Implementation of Direct Endorsement Program and New	Allows HECMs direct endorsement; Still no HECM insurance authority;	Interim Rule FR-2958-I-01(08/16/1995);, 60 FR	
09/29/1995	1995-45	Lapse of Insuring Authority	HECMs insuring authority lapsed on September 30, 1995		Replaces 1-14 of 4235.1;
09/29/1994	1994-44	Claims Instructions for FHA-Insured Home Equity Conversion Mortgages	Instructions for Claims form HUD-27011.	4330.4 FHASF Insurance Claims (Nov 1992); 4330.1 Servicing HECMs (24 CFR Part 206)	
07/19/1993	1993-22	Changes and Clarifications to HUD Handbook 4235.1	Increases origination fee for financing; Servicing fee; POA/conservatorship Guidelines; Title insurance; Loan closing date; Recording taxes; Credit report; Implements URLA and HUD 92900-A; Property information and purpose of loan; Employment information; Monthly income and combined expenses; Declarations; Government monitoring; Model ARM note forms discontinued; ARMnote and AR Second note added; Riders no longer required; Some adaptations to form allowed to comply with State; Face-to-face requirements; Third-party fees; Method of payments; CHUMS CLAS; HUD-1&Closing Certs; Trusts; MIP refunds; Attachments: AR Note and AR 2nd Note.	4235.1 August 1989.Regulation Z(12 CFR226.15)	Incorporated in 4235.1, 1994.
01/10/1991	1991-01	Implementation of Certain Provisions of the 1990 Housing Legislation	Increases number of HECMS loans to 25,000;Extends program to 09/30/95; Terminates demonstration; Modified software to include additional disclosure; Equity reserves; Disclosures of limited liability and total cost of the mortgage;	Omnibus Budget Reconciliation Act of 1990; Cranston-Gonzales National Affordable Housing Act of 1990; 24 CFR 206; LTR 90-17.	Pages 5-6 refer to HECMS. Incorporated in 4235.1, 1994.
05/29/1990	1990-17	Program Changes and Amendments to HUD Handbook 4235.1	Setting the interest rates, rounding interest rates, changing the rates on reverse ARMS, Protective Covenants in Condos, SubDivs and PUDs, Definining 2/3/4 unit properties, Collection of Mnthly MIP, Right of Rescission, Maturity Date, Max Mtg Amount, 1st & 2nd Mtg footnotes, 2nd Morgage, Acceleration for Non-insurance, Foreclosure procedure, Deficiency judgments, Condo & PUD riders, Regulation Z compliance; Disclosures, State laws,	Handbook 4235.1; Regulation Z (Truth-in-Lending Act 12 CFR 226.15; Amended by 54 FR 24670); Mortgagee Letter 89-24; Regulation 206.21 (b) (1); 54 FR 3290; Fair Housing Amendments Act of 1988; 54 FR 27596;	Incorporated in 4235.1, 1994.
12/22/1988	1988-38	Demonstration- Procedures for Applying for Reservations of Insurance Authority	Procedures for applying for reservation of insurance authority	HECM insurance Demonstration in Housing and Community Development Act of 1987	

## Home Equity Conversion Mortgages Policy References

A series of horizontal gray bars of varying lengths, resembling a barcode or a stylized letter 'E'. The bars are arranged in a vertical sequence, with some being longer than others, creating a rhythmic pattern. The bars are a uniform light gray color and are set against a white background.

**Home Equity Conversion Mortgages  
Policy References**


## Home Equity Conversion Mortgages Policy References